

January 31, 2011

The General Manager
The Karachi Stock Exchange (G) Limited
Karachi Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

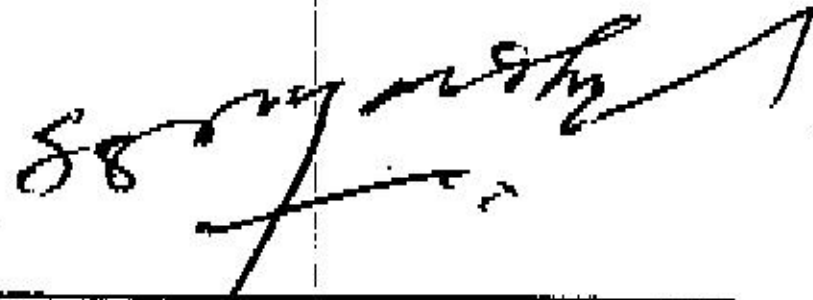
Material Information

In accordance with Clause (xxiii) of the Listing Regulation No. 35 under Code of Corporate Governance, we are please to convey with respect to KASB Bank's shareholding in KASB Modaraba Management (Pvt.) Limited (Management Company) and the recent 397% right issue announced by the Management Company at 15% discount, that KASB Bank Limited has decided to rescind its right to subscribe for further investment in the equity of the Management Company.

Consequently the decision to issue the proposed fresh capital by the Management Company rests with the Board of Directors of the Management Company as per the requirements of relevant sections of the Companies Ordinance, 1984.

You may please inform the members accordingly.

Yours truly,
For KASB Bank Limited


Muhammad Hamidullah
Company Secretary

cc: The General Manager
Lahore Stock Exchange (Guarantee) Ltd.
Lahore.

The General Manager
Islamabad Stock Exchange (Guarantee) Ltd.
Islamabad.



Registered Office: Razia Sharif Plaza, Jinnah Avenue, 90-Blue Area Islamabad
Tel: 92 - 51 - 2270725 , Direct: 92 - 51 - 2276828-30 Fax: 92 - 51 - 2270727 www.kasb.com
Principal Office: Business & Finance Centre, I.I. Chundrigar Road, Karachi. 74000, Pakistan.
Tel: (PABX) 92 - 21 - 2446005 - 10, 2446772 - 7 UAN: 111 - 555 - 666, Fax: 92 - 21 - 2446828 www.kasb.com